

## **FISCAL UPDATE News Article**

Fiscal Services Division
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## FY 2018 FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) MATCH RATE

**FY 2018 FMAP.** The Bureau of Economic Analysis released the final state personal per capita income data for 2015 on September 28, 2016. This allowed states to calculate the final FY 2018 FMAP rates. The FY 2018 FMAP rates are based on per capita personal incomes for calendar years 2013-2015. lowa's FY 2018 FMAP rate increased by 1.77% to 58.05%. This means for every dollar spent on the Medicaid program, the federal government pays \$0.5805 and lowa pays \$0.4195.

The FMAP increase indicates that lowa's economy is not doing as well compared to other states, resulting in a larger share of the total FMAP pie for lowa. This is the second year in a row that the FMAP rate has moved back in the state's favor, meaning lowa pays less, after declining 8.2% from FY 2010 to FY 2016.

**Fiscal Impact.** Although the final fiscal impact is still being calculated, the 1.77% change in the FMAP rate means that the state will be responsible for approximately \$70.0 million less in Medicaid expenditures in FY 2018. This chart shows a five-year change in the FMAP rate.

Five-Year State Regular Medicaid FMAP			
State			
Fiscal	Federal	State	Federal %
Year	Share	Share	Change
FY 2014	58.35%	41.66%	-1.53%
FY 2015	56.14%	43.86%	-2.21%
FY 2016	55.07%	44.93%	-1.07%
FY 2017	56.28%	43.72%	1.21%
FY 2018	58.05%	41.95%	1.77%

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